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New doubts on use of contra aid

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WASHINGTON — Congressional aides said yesterday that Congress might reopen an inquiry into President Reagan's \$27 million "humanitarian" aid program for Nicaragua's contra rebels in 1985-86 because of renewed suspicions that some of the money was used for weapons and military services.

The aides, as well as two administration officials and a government investigator, all familiar with the program, said disclosures that profits from U.S. arms sales to Iran had gone to the contras led them to suspect that similar diversions had occurred in the humanitarian, or non-lethal, aid effort.

The sources estimated the diversions at \$50,000 to \$200,000 in program money and up to \$3 million in profit from the sale abroad of U.S. dollars and some equipment delivered under the program.

"We had no real control of some of the funds," said an administration source once connected to the year-long program that ended on July 30. "It wouldn't surprise me if weapons were bought."

They have no conclusive evidence on which to base their suspicions, the sources said. But they noted that the General Accounting Office found in June that \$3.6 million of the money deposited in Miami banks (of a total of \$4.4 million examined by the GAO) were diverted to other accounts in the United States, the Cayman Islands and the Bahamas.

The GAO, they said, is expected to make its final report on the \$27 million program next week. They said the report would note specifically a \$15,000 diversion from one Miami contra account and point to unanswered questions about the expenditure of the money.

The congressional sources said House Foreign Affairs Committee staffers were drawing up lists of U.S. officials who were involved in the program for possible questioning.

The committee will open hearings on the Iran-contra connection Monday, but will not focus on the \$27 million program immediately. How-

ever, the congressional sources said new hearings on that subject were being considered as part of a comprehensive investigation of the contra program.

Those familiar with the nonlethal-aid program said there was no precise accounting of its expenditures because the State Department agency that administered the program, the Nicaraguan Humanitarian Assistance Office (NHAO), had no direct control over money deposited in Miami banks where contra brokers and suppliers kept accounts.

The amounts deposited in Miami totaled about \$14 million over the duration of the program, from Aug. 29, 1985, to July 30, 1986.

One of the Miami accounts from which some of the money was drawn was opened on behalf of a contra faction managed by Robert Owen, identified by U.S. officials as a private intermediary with the contras for Marine Lt. Col. Oliver L. North. In 1985, two men who said they had helped ship weapons to the contras from Fort Lauderdale International Airport said that Owen oversaw the operation for North.

President Reagan said last week that he relieved North of his job because he failed to inform him of his role earlier this year in arranging the diversion to the contras of between \$10 million and \$30 million in profits from arms sales to Iran.

Robert Duemling, NHAO director of the \$27 million humanitarian program, and a contra official, Bosco Matamoros, issued qualified denials of the allegations yesterday. Duemling said he was "satisfied" the program was administered adequately, but acknowledged "some problems" that he declined to discuss. Matamoros called the allegations "fantasy speculations," but said that U.S. officials were responsible for the project.

A July 24 report from Secretary of State George P. Shultz to the chairman of the Senate Foreign Relations Committee, Sen. Richard G. Lugar (R., Ind.) said all humanitarian funds were spent on clothing, medicine, vehicles and food.

The secretary's report cited as the basis for its conclusion reports from a "private American citizen" hired to supervise the program in Central America. Administration sources yesterday identified that person as Owen, North's agent. They also recalled that Duemling initially rejected Owen as consultant, but accepted him under pressure from North.

But administration sources said in November that a month before Shultz issued his report the State Department knew of the \$15,000 diversion to buy bullets and grenades for Owen's contra faction.

Money from the Iran scheme apparently was used to finance a contra weapons resupply operation based at the U.S.-funded Salvadoran air base of Ilopango that was responsible for an arms-laden C-123 cargo plane that the Sandinistas shot down near the Costa Rican border Oct. 5.

While admitting lack of evidence to support their suspicions, the sources yesterday pointed to what they called parallels and connections between the humanitarian aid program and the Iran-contra aid scheme. They cited diversion of money and use of secret foreign bank accounts, the use of profits from original project money for other contra activities, the involvement of North, and the use of the same air crews, planes and airlines to transport both humanitarian and lethal aid.